



15th February 2020

To, The Manager - Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, 5th floor, Plot no. C/1, "G" Block, Bandra-Kurla Complex, Mumbai-400051 Symbol: APCOTEXIND	To, Manager-Department of Corporate Services BSE Limited Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Security Code: 523694
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Subject: Earnings Presentation – February 2020

Dear Sir/Madam,

Please find enclosed herewith Earnings/Investor Presentation – February 2020. The same is for your reference and records.

Thanking you,

Yours truly,

For Apcotex Industries Limited

Authorised Signatory

apcotex industries limited

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TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Talaja-410208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052
CIN NO. L09000MH1995PLC020100

Website: www.apcotex.com



apcotex industries limited

EARNINGS PRESENTATION

9M / Q3-FY20

OVERVIEW

- ▶ Apcotex Industries Ltd (Apcotex) is a leading producer of Synthetic Rubber (Nitrile Rubber, High Styrene Rubber, Nitrile Polyblends and Nitrile Powder) and Synthetic Latex (XSB Latex, VP Latex, Styrene Acrylics and Nitrile Latex) in India.
- ▶ The company has one of the broadest range of Emulsion Polymers available in the market today.
- ▶ The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De-husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear.
- ▶ Apcotex is listed on both the BSE and NSE and has an approximate market capitalisation of INR 8,173.4 Mn as on 31st December, 2019.

BUSINESS MIX

- ▶ SYNTHETIC LATEX
 - ▷ Paper/ Paper Board, Carpet, Construction, Tyre Cord, Speciality.
- ▶ SYNTHETIC RUBBER
 - ▷ Automobile, Footwear, Rice Rolls.

MARQUEE CLIENTS

- ▶ SYNTHETIC LATEX
 - ▷ ITC Ltd, BILT, JK PAPER, Pidilite Industries, MRF, SRF, Century Enka, etc.
- ▶ SYNTHETIC RUBBER
 - ▷ Paragon Footwear, Ajanta Footwear, Relaxo Footwear, Jayshree Polymers, Parker Hannifin, etc.

MANUFACTURING

- ▶ Taloja Facility: Maharashtra
 - ▷ 55,000 MTPA Synthetic Latex
 - ▷ 7,000 MTPA High Styrene Rubber
- ▶ Valia Facility: Gujarat
 - ▷ 16,000 MTPA Nitrile Rubber and Allied Products.

FY19 FINANCIALS

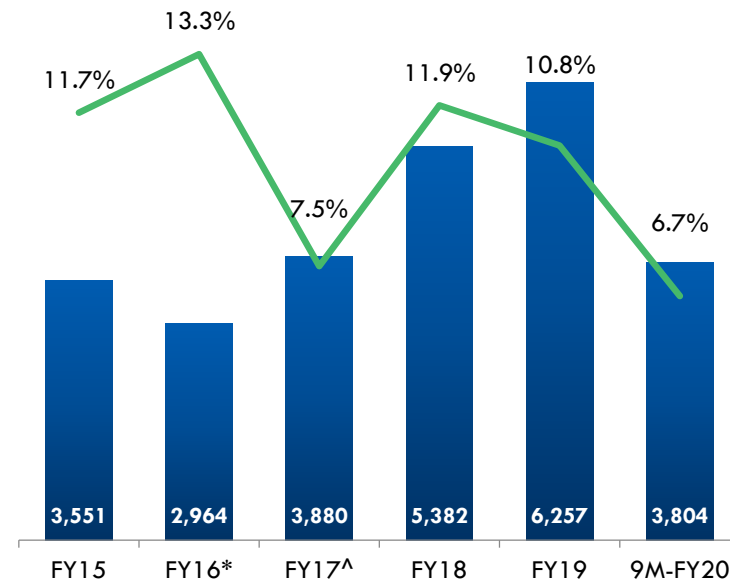
Revenue - **INR 6,257 Mn**

Operating EBITDA - **INR 676 Mn**

PAT- **INR 466 Mn**

- ▶ The company's Taloja plant was established in 1980 as a division of Asian Paints (India) Ltd. In 1991, the division was spun off as a separate company, which was headed by Mr. Atul Choksey, former MD of Asian Paints. The company is currently headed by Abhiraj Choksey who is the Managing Director.
- ▶ Apcotex has a significant global presence and for last few years has done business in all continents and several countries.
- ▶ It is one of the leading producers of Synthetic Rubber and Synthetic Latex in India.
- ▶ Its state-of-the-art manufacturing plants are strategically located on the western coast of India.
- ▶ Over the past several years, the company has developed a strong Research & Development base, which has enabled them to develop, manufacture and export products and compete effectively against global players.
- ▶ Apcotex Industries has a workforce strength of over 450 fulltime employees.

**Revenue (INR Mn) and
Operating EBITDA Margin (%)**



* Consolidated

^ The financial figures are excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd

Q3-FY20 Financial Highlights:

- ▶ **Total Revenue:** INR 1,096 Mn
- ▶ **Operating EBITDA:** INR 6 Mn
- ▶ **Operating EBITDA Margin:** 0.55%
- ▶ **Net Profit:** INR (14) Mn
- ▶ **PAT Margin:** NA
- ▶ **EPS:** INR 0.27 per share

9M-FY20 Financial Highlights:

- ▶ **Total Revenue:** INR 3,804 Mn
- ▶ **Operating EBITDA:** INR 254 Mn
- ▶ **Operating EBITDA Margin:** 6.68%
- ▶ **Net Profit:** INR 136 Mn
- ▶ **PAT Margin:** 3.58%
- ▶ **EPS:** INR 2.62 per share

Positives:

- ▶ Out of Capex Phase 1 of INR 100cr, INR 85cr has been spent till December 31, 2019 and rest will be completed by end of Q4.
- ▶ Captive Power plant will be commissioned shortly resulting in savings in Valia power costs from April 2020.
- ▶ Debottlenecking project will be completed in Q1 which will increase production capacity to about 20,000MT p.a. and will also help in reducing operational costs per MT.
- ▶ Several other cost savings projects are being implemented over the next 1-2 quarters.
- ▶ Designing/Consent Applications for 2 major projects has started – XNBR Latex (INR 60cr) and Polymerization Line 2 (INR 180cr).

Challenges:

- ▶ Slowdown in Auto and allied industries affected NBR business volumes and margins .
- ▶ Overall sluggishness in Indian market affected volumes to Paper, Carpet and Construction industries as well but smart recovery seen in early Q4.
- ▶ Exports were down due to much lower monomer prices in Europe vs. Asia in Q3 which has now corrected in early Q4.

Q3-FY20 Income Statement (As per IndAS)



Particulars (INR Mn)	Q3-FY20	Q3-FY19	Y-o-Y	Q2-FY20	Q-o-Q
Revenue	1,096	1,641	(33.2)%	1,241	(11.7)%
Total Expenses	1,090	1,472	(26.0)%	1,173	(7.1)%
Operating EBITDA	6	169	(69.4)%	68	(91.2)%
Operating EBITDA Margin (%)	0.55%	10.30%	(975)Bps	5.48%	(493)Bps
Depreciation	36	29	24.1%	32	12.5%
Finance Cost	2	6	(66.7)%	3	(33.3)%
Other Income	14	24	(41.7)%	21	(33.3)%
PBT	(18)	158	NA	54	NA
Exceptional Items	-	-	NA	-	NA
Tax	(4)	58	NA	18	NA
PAT	(14)	100	NA	36	NA
PAT Margin (%)	-	6.09%	NA	2.90%	NA
Other Comprehensive Income	15	(1)	NA	1	NA
Total Comprehensive Income	1	99	NA	37	NA
Diluted EPS (INR)	0.27	1.92	(85.9)%	0.70	(61.4)%

9M-FY20 Income Statement (As per IndAS)



Particulars (INR Mn)	9M-FY20	9M-FY19	Y-o-Y
Revenue	3,804	4,739	(19.7)%
Total Expenses	3,550	4,203	(15.5)%
Operating EBITDA	254	536	(52.6)%
Operating EBITDA Margin (%)	6.68%	11.31%	(463)Bps
Depreciation	98	88	11.4%
Finance Cost	9	14	(35.7)%
Other Income	47	46	2.2%
PBT	194	480	(59.6)%
Exceptional Items	-	-	NA
Tax	58	167	(65.3)%
PAT	136	313	(56.5)%
PAT Margin (%)	3.58%	6.60%	(302)Bps
Other Comprehensive Income	8	(1)	NA
Total Comprehensive Income	144	312	(53.8)%
Diluted EPS (INR)	2.62	6.04	(56.6)%

Historical Income Statement (As per IndAS)



Particulars (INR Mn)	FY17**	FY18	FY19	9M-FY20
Revenue	3,880	5,382	6,257	3,804
Total Expenses	3,589	4,744	5,581	3,550
Operating EBITDA	291	638	676	254
Operating EBITDA Margin	7.50%	11.85%	10.80%	6.68%
Depreciation	121	121	118	98
Finance Cost	29	16	18	9
Other Income	102	71	77	47
PBT	243	572	617	194
Exceptional Items	-	15	-	-
Tax	32	171	151	58
PAT	211	386	466	136
PAT Margin	5.44%	7.17%	7.45%	3.58%
Other Comprehensive Income	(1)	(3)	(2)	8
Total Comprehensive Income	210	383	464	144
EPS (INR)	10.20	18.63	8.99	2.62

**The financial figures are excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd.

Balance Sheet (As per IndAS)

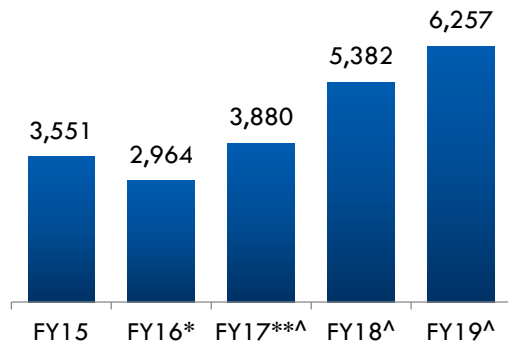
Particulars (INR Mn)	Mar 18	Mar 19	H1-FY20
Shareholders Fund	2,464	2,778	2,734
Equity Share Capital	104	104	104
Other Equity	2,360	2,674	2,630
Total Non Current Liabilities	70	86	275
Deferred Tax liabilities	18	14	29
Other Long Term Liabilities	-	10	181
Long Term Provision	22	28	30
Other Financial Liabilities	30	34	35
Total Current Liabilities	906	906	932
Short Term Borrowings	174	30	139
Trade Payables	481	526	368
Other Current Financial Liabilities	161	240	330
Other Current Liabilities	87	106	90
Short term provision	3	4	5
TOTAL EQUITY & LIABILITIES	3,440	3,770	3,941

Particulars (INR Mn)	Mar 18	Mar 19	H1-FY20
Total Non Current Assets	1,535	1,624	1,920
Fixed Assets	782	750	1,065
Capital Work in progress	91	212	187
Investment in properties	1	-	-
Non Current Investments	499	428	437
Intangible Assets	4	14	12
Current Tax Assets (Net)	65	38	29
Long term loans & advances	-	-	-
Other Non Current assets	93	182	190
Total Current Assets	1,905	2,146	2021
Investments	255	261	190
Inventories	493	482	622
Trade Receivables	982	1,112	899
Cash & Cash Equivalents	55	57	53
Other Bank Balances	18	44	46
Short Term loans & Advances	3	2	3
Other Financial Assets	42	40	23
Other current asset	57	148	185
TOTAL ASSETS	3,440	3,770	3,941

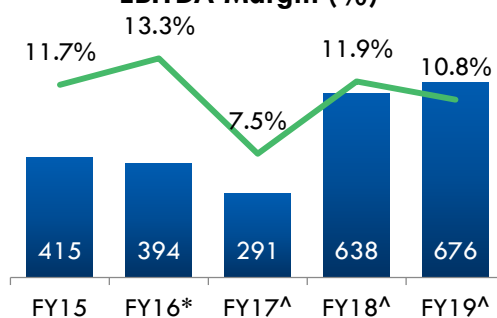
Historical Performance Indicators



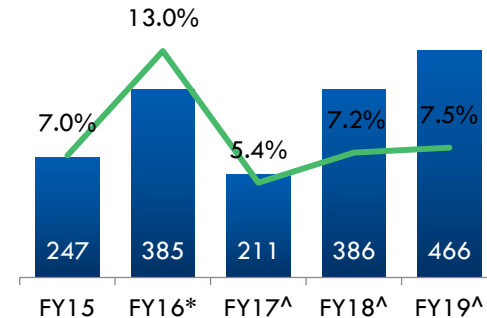
Revenue (In Mn)



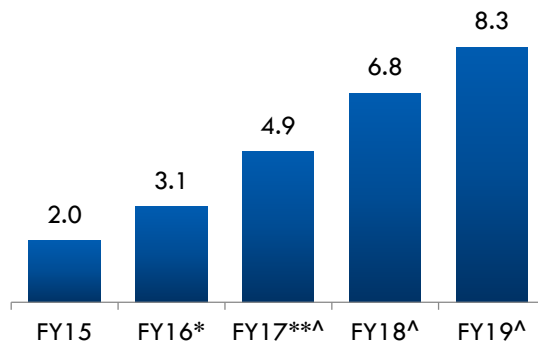
Operating EBITDA (INR Mn) and EBITDA Margin (%)



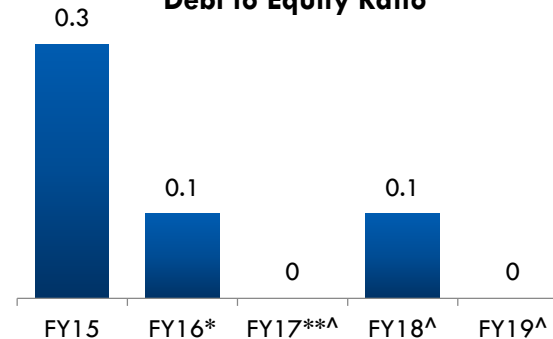
PAT (INR Mn) and PAT Margin (%)



Asset Turn Over Ratio



Debt to Equity Ratio



*Consolidated ^ As per IndAS

** The figures are including the recent merger of Saldhar Investment and Trading Company Pvt. Ltd

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The background features three overlapping, curved shapes. On the left, a dark blue shape tapers towards the top-left corner. In the center, a white shape curves from the bottom-left towards the top-right. At the bottom, a green shape curves from the left towards the right. The text 'Thank You' is positioned in the white area on the right side.

Thank You